

City Council
City and County of Honolulu

CLAIM FOR TRAVEL REIMBURSEMENT

Date: 3/24/09

Traveler: Nestor Garcia
 Event: NACo 2009 Annual Legislative Conference
 Location: Washington, D.C.
 Dates: From 3/7/09 8:00am To 3/11/09 10:30am

Description	Amount	Notes
1. Registration Fee	465.00	
2. Airfare	747.90	DR: 3/5/09 5:21pm RT: 3/14/09 7:12pm
3. Hotel	1367.16	Rate: 227.86 No. of Billable Days: 6
4. Meals	0.00	
5. Ground Transportation	50.00	Receipts attached
6. Tips	0.00	
7. Other	60.00	Business center charge on 3/9/09
Other	407.14	Receipts attached - Breakfast general protocol fun
Other		
8. Adjustment		
TOTAL REIMBURSEMENT	3097.20	

This is to certify that the above data, based upon receipts submitted to Council Administrative Support Services via a CCLTRVL02 form, is accurate. Further, I am claiming reimbursement for expenses associated with a trip in which City business was conducted and personal funds were used to advance payment:



 Signature of Traveler

25 March 2009

 Date

Councilmember Nestor R. Garcia
Vice Chair
Chair, Council Committee on Budget

TRIP REPORT

National Association of Counties
Annual Legislative Conference
March 6-11, 2009
Washington, D.C.

RECEIVED
2009 MAR 18 A 8:47
CITY COUNCIL
HONOLULU, HAWAII

Introduction

The City & County of Honolulu is like many of its sister counties across the country: due to the economic downturn caused by the global financial crisis, local government budget problems have deteriorated, increasing pressure on officials at the city and county levels to cut spending, dip into rainy day reserves, intensify crackdowns on tax-law enforcement, or possibly raise taxes – or turn to various combinations on these and other options.

This annual conference came at a time when the Hawaii State legislature is in the midst of dealing with its own growing budget deficits. Among the items under consideration “across the street” are takeaways from the counties – including a House bill that would eliminate the counties’ share of the hotel room tax for six years (the state operates on a six-year financial plan). For Honolulu, that would amount to some \$43 million dollars for the current year. There was also a Senate proposal that would “borrow” some \$150 million from the fund that Honolulu collects through its .05 percent excise tax surcharge authorized by the state for the city’s locally-dedicated source of funding for the elevated, fixed guide way (ground breaking is scheduled for the end of this year).

As with all NACO legislative conference sessions (this one held at the Marriot Wardman Park hotel), the conferees met with their respective Congressional delegations on the final day of the conference, in this case Wednesday, March 11. As an added session, the Honolulu Council members also got to meet with representatives from the Federal Transit Administration (a meeting set by Council Chair Apo – for Monday, March 9.) Coincidentally, the FTA representatives were attending a conference held simultaneously in DC – the American Public Transportation Association annual legislative conference, this one at the JW Marriot on Pennsylvania Avenue).

The NACO conference attendees included Councilmembers Romy Cachola, Donovan Dela Cruz, and Todd Apo (currently serving as Council chair).

As President of the Hawaii State Association of Counties, I coordinated efforts on behalf of the Hawaii delegation. The delegation included council members from the counties of Kauai, Maui and Hawaii. Once again – Hawaii had the distinction of being only one of 21 states to have 100 percent attendance (having all counties within a state attend a NACO conference)!

The Weekend (March 6 – 8)

The weekend consisted mainly of various committee and board meetings. Here, I was instrumental in making sure that our Hawaii representatives were seated at the various sessions including the Transportation Steering Committee (Councilmember Cachola) and the Board sessions (Councilmembers Dela Cruz and Maui's Joe Pontanilla, as well as newly-elected Kauai Prosecutor Shaylene Iseri-Carvalho).

I also coordinated receipt of the Hawaii delegation's boxes of flower leis and snacks to gift key executives of NACo, including the members of the Executive Committee, and NACo staffers tasked with registration duties. They are warmly received and very grateful that Hawaii was so generous and thoughtful – a tradition of our delegation!

Monday, Mar. 9

Educational Session Block I

“The Race is on – the Surface Transportation Bill in the New Congress”

I make it a point each time I attend the NACO legislative conference to sit in on transportation sessions (since Honolulu is in the midst of perhaps the biggest public works project in our city's history – the elevated fixed guide way). This session features Tom Lynch, legislative assistant to U.S. Senator Max Baucus, chairman of the Senate's Finance Committee, and Jack Schenendorf, who worked for 25 years in Congress, particularly with the U.S. House Committee on Transportation and Infrastructure and is now with the firm of Covington & Burling LLP.

Lynch feels the president is really focused on transportation infrastructure – and that there is increasing attention on the nation's freight network. He went over the country's history of the Interstate Freeway system – which he says goes all the way back to teen's, with President Franklin Delano Roosevelt authorizing its creation, and President Dwight David Eisenhower actually starting its construction. He says there is a growing deficit in the nation's Highway fund (the federal gas tax now stands at 18.4 cents per gallon, with 24.4 cents per gallon for diesel). It got so bad that Congress last year had to inject \$8 billion into the Highway Fund to keep it afloat.

He says this deficit is a problem for the local and state governments, which cannot plan for longer term funding for their highway projects if we continue to marginalize the highway fund (contract authority is hampered). Lynch says with the recent Stimulus Bill, only \$27.5 billion was set aside for highways, out of some \$787 billion. Lynch says it looks like funding for the next five years of the Highway Authorization Bill will be short – Congress appears only looking at \$224 billion for the next five years, as compared to \$286 billion for the last five years. That would mean a deficit of some \$68.5 billion over the next five-year period. He says there have been calls for increases of about 10 cents per gallon for gas and 15 cents per gallon for diesel. Lynch says he feels the votes are not there in the Senate for fuel tax increases.

Schenendorf says we are living in “very uncertain times.” He says by Sept. 30, 2009, the current Highway Authorization legislation will expire. He says because we have a new president and a new Congress, chances are 50/50 that there will be a Highway Reauthorization Bill before the current law expires. He says there definitely needs to be reform of the programs for transportation and transit. He says there are about 108 different funding streams for the various program activities – need to refocus! But he says reform is not enough – he thinks we need \$220 billion each year for the next 50 years just to keep the present infrastructure intact and to increase capacity.

He says we need to have “an adult conversation” about what it would take to adequately fund our transportation needs – and to make a determination as to whether it will be worth it to do so. He says he would rather switch from a motor fuel tax, to a vehicle miles tax. He says it would take about 10 to 15 years to implement. He says not to rely so much on public-private partnerships, like toll roads.

Educational Session Block II

“Housing Stimulus and the New Congress”

The new housing stimulus package (Public Law 110-289) includes many provisions that will affect county economic development. About \$13.61 billion went to the U.S. Department of Housing and Urban Development, and HUD Secretary Shaun Donovan released \$2.626, 294 in Community Development Block Grants to Honolulu (and \$4.016, 074 in Homeless Prevention funds).

Stanley Gimont, the Director of the Office of Block Grant Assistance, Community Development Block Grants, HUD, said by the end of the month, there will be specific rules and regulations regarding the handling of CDBG monies allocated to the cities and states. He said to refer to the Office of Management and Budget circular released on Feb. 18th for general guidance on the rules.

Sharon Price, Director of Policy for the National Housing Conference, spoke next. Her organization is focusing on how to deal with the foreclosure crisis.

General Session

The conference heard first from Don Stapley, the President of NACO (he is a supervisor with Maricopa County in Arizona). He is proud that NACO is trying to go “green” – with the proof that with this conference, there was less emphasis on flyers and brochures. He said there will be many sessions focusing on the economy, especially with the recent Stimulus Bill. Stapley says the organization is still working hard, after 8 years, to “Restore the Partnership” with the federal government. He was especially proud that NACO’s president-elect, Valerie Brown (she is a Supervisor with Sonoma County, California) was the only non-Congressional participant in a recent summit on health care called by the President.

He said he, along with president-elect Brown, and NACO Executive Director Larry Naake (rhymes with snake) are members of an Advisory Committee to Vice President Joseph Biden on the Stimulus Bill.

The conference then heard from Valerie Jarrett, the Senior Advisor and Assistant to the President for Intergovernmental Affairs and Public Liaison to the White House.

(NOTE: I met Mike Blake of her office, who focuses on the counties. He can be reached at mblake@who.eop.gov. His phone numbers are (202) 456-4772 and (202) 503-5649. He is rather young!).

Jarrett says with President Barack Obama's background as a grassroots community organizer, he is well suited to partnering with state and local officials.

She feels the last seven weeks have been like seven years! She says people often tell her that the president is taking on too much – but she says everything is inextricably linked – the two wars, housing crisis, education, health care, economic crisis, energy crisis, etc. She says, “of course – we can do it all – hogwash!”

She says the \$787 billion Stimulus Bill will create 3.5 million jobs. She says people can refer to recovery.com – a portal to showcase how the stimulus money is being spent (transparency). She says the President has moved on several issues in the short time he has been in office, such as reviving the S-CHIP program, re-launched faith-based initiative, the Lilly Ledbetter wage law, ethics reform, timeline for withdrawal from Iraq, fiscal summit to work on efficiency and effectiveness of federal spending, health care reform summit, budget for priorities, and transparency in government.

Jarrett says the President will push for \$630 billion over the next 10 years for health care reform. She says the Stimulus Bill will provide \$48 billion for jobs to repair roads and bridges. She says there are billions for various law enforcement programs through the U.S. Department of Justice, billions for education to hire and retain teachers and repair schools.

She says the President is also working to move our country from the industrial age to the “Green Age.” She says there is now a “new day” with regard to the working relationship between the federal government and the state and local governments. She says, “with your help – let's go out and let's change the world!”

Next to speak was Chuck Todd, the NBC News White House correspondent. He says it has been about 50 days since the new administration came to Washington – so now it's time to set “irresponsible conventional wisdom.” He says one thing is clear – every day seems like a week, and every week seems like a day.” He senses an “extra intensity” within the public – desperation and fear. **He says while there are many reasons why someone chooses to enter public service – this is probably the reason: to be in this moment in time – in the midst of this very severe crisis – this is what drew you to be in public service.**

Todd also took on the issue of whether the President is trying to do too much too soon. He says that the political reality is that 70 percent of what you can do should happen in the first nine months or so in office. After that, you are pretty much in reactive mode. He says this Administration is very aware of this reality – and it chooses not to do just one big issue at first.

He said this Administration learned from the first Clinton Administration, which tried to push health care reform as its first, and only, big issue. He said that issue just sat there, alone, and it was killed because the opposition had time, and resources, to unite. Todd says he feels the Administration needs to really get significant accomplishment with health care reform by Labor Day, or else it will die because politics will get in the way. He says doing a lot of things at the same time is like rebuilding a home after a hurricane flattens the house.

Todd poses the question: should you rebuild it the same old way – or should you fix a few flaws and build it even better? He says the walls are healthcare, education, energy, etc. Todd feels you need to address all these things as part of rebuilding the economy – the house. He feels we should do it all now – and not wait until times are good.

He says the public is hungry for details – and not interested in headline news.

(NOTE: this prompted me, at the end of his address, to take to the mike and ask him his take on the future of the mass media.

I asked Todd that with the recent news that the McClatchy Co. was cutting 1600 jobs, on top of all the other layoffs in the news industry, how the public can expect to get, what the late Paul Harvey described, as “the rest of the story?” He said it is tough now to be in the business – which the media is doing more with less. Todd said “do we really want the blogosphere to be the future of news?” He said with the demise of the media at the local level – there will be no one to be a watchdog over local legislatures and councils).

Todd also took on the issue of the lack of bipartisanship in Washington, DC. He said the GOP is dealing with the issue of its losses in last fall’s elections much like what big business is doing in this faltering economy. The question is: what do you do if you suddenly find that you have lost about 22 percent of your customer base? Do you work to get more customers – or do you fight not to lose more of your base? He says the GOP is doing the latter – and is working hard to rally its base. He says for any political party it must, first, define who you are, and second, grow the organization. Todd says what credit does a Republican get for supporting a Democratic president?

Todd says there are only three sectors showing increases in jobs: education, health care and government. Finally, he told the conferees, “you are the first line of government.” He said 10 years from now – we will either be heroes, or cynicism will grow even more towards politics and politicians. He added , “we in the media need to do a better job of presenting the big ideas in a better way.”

Federal Transit Administration Meeting

This is the meeting for which the Honolulu City Council needed to approve the formation of a Permitted Interaction Group (PIG) to deal with the Sunshine Law. This meeting involved more than two members of the Council – Chair Apo, Vice Chair Garcia, Council member Dela Cruz and Council member Cachola. The meeting was held in a coffee shop adjacent to the J.W. Marriot Hotel on Pennsylvania Avenue – the venue for the annual legislative conference for the American Public Transportation Association.

The conference was held just as APTA released its finding: last year, Americans made 10.7 billion trips using public transportation, a 4 percent increase over 2007. APTA found that even when gasoline prices peaked in July 2008 at more than \$4 a gallon, public transportation ridership remained strong.

Attending the meeting for the FTA were Beth Day, director of the Office of project Planning, and her boss, Susan Borinsky, Associate Administrator for Planning Environment. Both said they were not up to speed on the Honolulu project, and would have to consult with the new project team leader, Jim Ryan (who worked on Honolulu’s last rail project for the FTA). Both said Honolulu needs to have a reasonable financial plan as the city prepares to enter into the Preliminary Engineering phase and that there is a “reasonable expectation” that there will be monies available for operations and maintenance.

Borinsky said it was quite unusual that Honolulu is committing to building the first phase with only local funding. She advised us that Honolulu should not get too far ahead of itself – and should be careful not to do anything that might preclude the city from qualifying for federal matching funds. She said that even before the city starts to award contracts, it must be sure that certain milestones have been met.

Both said that the Letter of No Prejudice comes with a recommendation from the Region and is forwarded to Washington for a decision. If Washington approves the Letter, it will take a minimum 6 months to get a Full Funding Grant Agreement (including 60 days to win approval in the Congress). Each city has a private management oversight contractor.

Tuesday, March 10

NACo General Session

First to speak is youthful HUD Secretary Shaun Donovan (he previously served as Deputy Assistant Secretary for Multifamily Housing.) He said there is “enormous uncertainty” in our times. He said for the administration that “we believe we must take bold action – act swiftly and decisively – but we must also look to the long term.” He said in a crisis, there is opportunity.

Donovan said for the month of December 2008, 45 percent of all home sales in this country were distress sales. He said homes in a neighborhood, on average, lose about 9 percent of their value whenever a home in the same area forecloses.

He said the first thing the government is trying to do is to keep interest rates low. He said this will enable about four to five million Americans to refinance – and a new initiative from Fannie Mae and Freddie Mac will try to help. He said the federal government is committing \$75 billion to help about nine million families facing foreclosure to deal with lenders so that they can stay in their homes. Donovan said people are losing their jobs, too, so the government is working, via the Stimulus Bill, to find jobs for 3.5 million people.

He said he has Ron Simms to head the Office of Sustainability within HUD. This office will “knit together” other vital aspects to help communities and their families – knit together such things as transportation, childcare, education, etc., and not just focus on housing. Donovan said HUD needs to be a better partner with the members of NACo and will work, for instance, to be more flexible when it comes to HUD’s rules, regulations and interpretations of the law.

Next to speak was Interior Secretary Ken Salazar, a former U.S. Senator for Colorado who, while in the Senate, helped lead efforts to move the country away from fossil-fuel base economy to a more “green” economy. Salazar has tasked a couple of his department personnel to work for NACo. He said for years, many people regarded the Interior Department as the place that only dealt with the Western United States, and oil and gas leases.

He cited a few facts, such as:

- North Dakota has the most wildlife refuges in the country
- There are about 1.75 billion acres of land that make up the Continental Shelf.

He said his priorities include:

- Staking out a new frontier when it comes to energy. He said there are national security issues because of our over-dependence on imported oil (it used to be only 30 percent - but now, we rely on 70 percent of our oil from other countries);
- Enhance and restore our country’s treasured sites;
- Work with young people to build a stronger Civilian Conservation Corps;
- Bring new hope and opportunity to Native American communities; and
- Deal with the serious issues involving water use. He wants to defuse and resolve the disputes over water. He said there is an old saying: “water is for fighting, and whiskey is for drinking.”

Finally, the Secretary of Energy, Steven Chu, took the stage. He was the director of the Lawrence Berkeley National Laboratory, and shared the Nobel Peace Prize for Physics in 1997. Chu was an early advocate for scientific solutions to climate change.

He said that his department will strive to be more “customer friendly.” He said his agency will also work for transparency – and referred to energy.gov/recovery to see how his department’s Stimulus money is being spent. He said we must all do our part – monitor your progress in achieving your benchmarks, so that you can determine whether your project can succeed and can indeed qualify for more federal funding.

Chu said he is looking at “smart metering” – a method by which you can draw power during off-peak hours. This will be a better use of our power – because a large amount of power is only stand-by power, power that is standing by until there is a demand for that power. He said he wants to engage our best scientists to work on energy issues – what he calls “transformational research.” Chu said he will work with the scientists in an “electric atmosphere” – free from the pressures of funding and shielded from extraneous bureaucracy. Chu said there was this kind of atmosphere during the Apollo space missions, and during the mobilization for World War II. He cited the experience of Bell Labs, which worked on the first vacuum tubes, which led to transistors, then to quantum mechanics, which taught us how the physical world works at the sub-atomic level. He said he feels optimistic that most young people will want to gravitate towards science and engineering so that they can help deal with the energy crisis.

Educational Session Block III

“Implementing the American Recovery and Reinvestment Act”

There were four speakers – but I only focused on three (the 4th was David Buchanan, a representative from the U.S. Department of Justice, who spoke mainly about funding available through the agency’s COPPS program. COPPS Stimulus money can, for instance, go to pay for 100 percent of wages and benefits for entry level law enforcement personnel – police officers only – for three years. The recipient must first prove that there is a plan in Year 4 to keep the officers on the payroll).

Dustin Brown is the Deputy Assistant Director for Management with the Executive Office of the President, Office of Management and Budget. He said there are about 60 pages in the American Recovery and Reinvestment Act (ARRA). He said with the launch of the web site on the Act – recovery.gov – there were 3,000 hits per second, with about 150 million hits since that launch. He says by the end of the month, there will be final guidance on the use of the ARRA monies.

Richard J. Turman is the Deputy Assistant Secretary for Budget with the U.S. Department of Health and Human Services. He said with ARRA, his agency will get about \$137 billion for distribution. Turman says there will be money for such things as Health Information Technology initiatives (e.g. those who produce electronic health records), Head Start (\$1 billion), Community Health Centers (\$1.5 billion), etc. He said Section 2.9 in the ARRA helps provide guidance for recipient reporting.

Finally, Joel Szabat spoke to the group (this was an SRO crowd. One measure of attendance – all 150 copies of a brochure on facts related to the ARRA were gone immediately!). Szabat is the Deputy Assistant Secretary for Transportation Policy with the Office of the Secretary, U.S. Department of Transportation.

Szabat is head of what the agency refers to as the TIGER, or Transportation Investment Generating Economic Recovery team, in charge of the ARRA monies that are to be allocated through the agency.

He said DOT will legally, rapidly, and wisely, allocate the \$48.1 billion in ARRA monies. Most of that money (two-thirds) will be through the formula process, with about \$26.6 billion for highways, and about \$8.4 billion for transit projects.

He said the Metropolitan Planning Organizations will get the bulk of this money. He said the MPOs will get about two-thirds of the ARRA money, most of the rest will go towards state transportation agencies. About \$100 million in discretionary Stimulus money will be rolled out later. USDOT needs only one blanket letter from a state that would cover all the projects in its STIP – not one letter for each project. Szabat said “stay tuned” to find out how DOT will weigh and make its determination on what projects will be awarded. He said the more support his agency gets for a project or projects – the better the chance of an award. It is also important that the state (and each county) certify its share of the cost of the project that hopes to get ARRA support.

Wednesday, March 11

Meetings with Hawaii Congressional Delegation Capitol Hill

This is the day normally reserved for cities/counties to visit their respective members in Congress. As President of HSAC, my office coordinated this day’s visitations. Each county was asked who would be attending – and what topics they would be bringing to the attention of the member of Congress. This enables the staff of each member of Congress to properly brief his or her respective boss on what the Hawaii people will want to discuss during the visit. It is important to note that this did not preclude each county to have its own, separate meeting with a member of Congress to go into more detail on issues and projects of particular concern to that county.

The members of the HSAC delegation who participated in this visit included:

1. Nestor Garcia, President of HSAC, City and County of Honolulu;
2. Derek Kawakami, Vice President of HSAC, Kauai County;
3. Joseph Pontanilla, Treasurer of HSAC, Maui County;
4. Donovan Dela Cruz, City and County of Honolulu;
5. Romy Cachola, City and County of Honolulu;
6. Kelly Greenwell, Hawaii County
7. Tim Bynum, Kauai County;
8. Dickie Chang, Kauai County;
9. Lani Kawahara, Kauai County;
10. Michael Victorino, Maui County
11. Shaylene Iseri-Carvalho, Kauai County Prosecutor
12. Destry Iseri-Carvalho, guest of the Kauai Prosecutor

The discussion topics included – but were not limited to:

Hawaii County

- Federal funds for a Comprehensive Health Center in Maku'u Homeland, Pahoia
- Solid Waste and biofuel development

City & County of Honolulu

- the American Recovery and Reinvestment Act
- Rail Transit – FTA funding

Kauai County

- Water Infrastructure Improvement (Waimea Wastewater Treatment Plant)
- Solid Waste (Kekaha Landfill Phase II Lateral Expansion)
- Flood Control (West Kauai – Waimea and areas surrounding Kekaha Road)

Maui County

- Water
- Wastewater
- Affordable Housing

Most of the discussions with each member of Congress, however, centered on the ARRA – and what is to be expected of each County in order to apply for, and comply with, the Act. Frustration was evident because even at the NACO conference, Obama Administration agency representatives were not able to answer specifics (NOTE: as evidenced earlier in this report – agencies said specific rules and regulations were still a work in progress – and much more would be known to all at the end of this month). Frustration was also aimed at the state – and the need to communicate with the counties on the effort to secure ARRA funds, since the Governor is seen as the major pass-through for these funds.

Still, the delegation members were pleased that we were able to sit with each member of our Congressional delegation, along with the member's staff.

Respectfully submitted,



Nestor R. Garcia
Vice Chair
Councilmember, District 9